Mosaic Capital
RESEARCH

WEEKLY MARKET BRIEFING // GLOBAL // MONDAY 2026-06-01

Nine weeks up, and priced for perfection.

Many pieces. One picture of the week.

A euphoric short week: records every session, May the best tech month of 2026, Dell and Snowflake posting their biggest days on record, Micron through $1tn. A hot PCE print was shrugged off. The rally is broadening but valuations are stretched and the calendar ahead is dense, the risk-reward into June looks delicate.

DATE	Monday 1 June 2026
COVERS	Week of Mon 25 - Fri 29 May 2026
SCOPE	US · UK · Europe · Asia · Rates
DESK	Cross-Asset Strategy

Multiple Strategies. One Goal.

01 — SUMMARY

Nine weeks up.

A holiday-shortened week of relentless records. The S&P 500 posted its ninth straight weekly gain and closed May up 5%, the Nasdaq up 8% in its best month of 2026. Blowout AI earnings drove the melt-up; a hot PCE print was shrugged off.

Market snapshot – week-end (Friday 29 May)

INSTRUMENT	LEVEL	MOVE / CONTEXT
S&P 500	7,580.06	Fri record close; +5% in May; ninth straight weekly gain
Nasdaq Comp.	26,972.62	Fri record; +8% in May, its best month of 2026
Dow Jones	51,032.46	First-ever close above 51,000; +4.3% on the month
FTSE 100	~8,830	+1.0% on the week; broad-based European strength
Stoxx 600	+ on week	FTSE MIB +3.2%, CAC +1.6%, DAX -0.5%; mixed pre-ECB
Brent crude	~$88/bbl	Slipped on the week on U.S.-Iran de-escalation hopes
US 10y Treasury	~4.30%	Eased on the week; 2y ~3.92%, 30y ~4.78%
UK 10y gilt	~4.72%	Steady; rate-cut expectations largely priced out
Bitcoin	~$78,000	Firm alongside risk appetite as equities hit records
Fed funds rate	3.50-3.75%	On hold; cuts essentially priced out through 2027

How the week unfolded

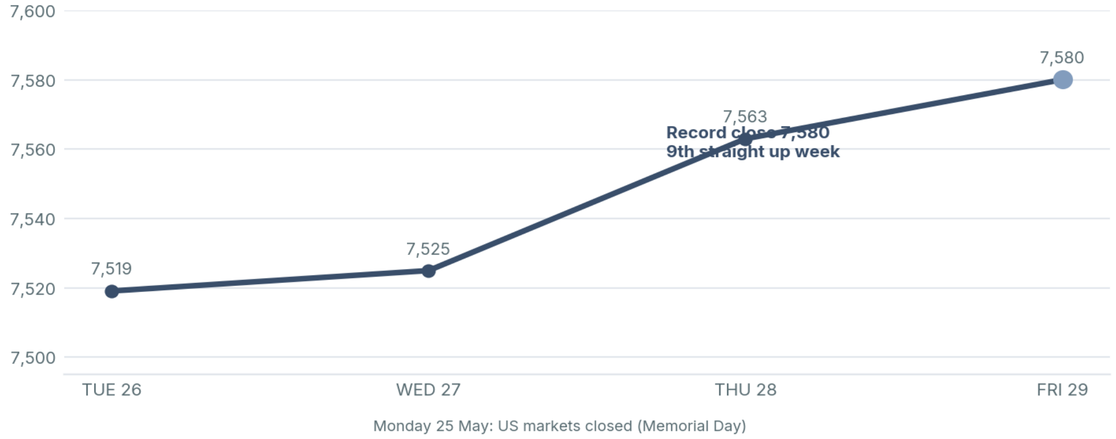
- Tue: records resume. Markets reopened after Memorial Day and powered straight to fresh highs. The S&P closed at 7,519 and the Nasdaq at 26,656, both records, led by technology as traders weighed the prospect of a U.S.-Iran deal. Micron jumped 19% after UBS projected 100%+ upside on its high-bandwidth-memory dominance, crossing a $1tn market cap.
- Wed-Thu: AI earnings ignite. Dell surged ~33%, its best day on record, on an 88% revenue jump and $16.1bn of AI server revenue in the quarter, and was dubbed 'the poster child for AI broadening earnings'. Snowflake rose ~36% on a beat plus a $6bn AWS deal; ServiceNow +14%, Datadog +10%, Palantir +8%. The rally was visibly broadening beyond the mega-cap chipmakers.
- Fri: records into month-end. All three indices closed at fresh records, the S&P at 7,580 and the Dow above 51,000 for the first time, capping tech's best month of 2026. April PCE had come in at 3.8% y/y, the highest since 2023, yet the market shrugged it off; rate-cut hopes were already essentially gone, so hot inflation changed little.

The rally is broad and the tape is strong, but valuations are stretched, the RSI is overbought, and the week ahead is unusually dense with binary catalysts.

02 — EQUITIES

The melt-up broadens.

S&P 500 DAILY CLOSE — RECORDS EVERY SESSION INTO MONTH-END



Source: CNBC, TheStreet; index closes 26-29 May 2026. Monday 25 May was the Memorial Day market holiday.

What powered the week

- AI earnings broadened the rally. The story was no longer just the chipmakers. Dell's ~33% surge, its best day on record, came on 88% revenue growth and $24.4bn of AI orders; Snowflake's ~36% jump (its largest ever) paired a beat with a $6bn AWS partnership. ServiceNow +14%, Datadog +10%, Palantir +8%, Oracle and Microsoft +6% each. Software and infrastructure, not just silicon, carried the tape.
- Micron's extraordinary month. Shares jumped 19% on Tuesday after UBS projected 100%+ upside on its high-bandwidth-memory position, taking Micron through a $1tn market cap. It finished May up roughly 88%, from near $315 at the start of 2026 to approaching $900, one of the most remarkable monthly runs by a mega-cap in memory.
- Breadth and records. The Dow crossed 51,000 for the first time, the S&P logged a ninth straight weekly gain (its longest streak since late 2023), and REITs and other rate-sensitive groups joined in as yields eased. The advance was broad, which bulls read as healthy and bears as late-cycle.

The warning signs under the surface

- Valuations are stretched. The S&P's forward P/E sits around 21.2, well above its 5 and 10-year averages, and the RSI is around 73, firmly in overbought territory. The ECB's own Financial Stability Review warned that equity valuations remain stretched and downside risks 'appear underestimated'.
- The rally outran its fundamentals. With Q1 earnings season all but over, there is little fresh fundamental fuel left; from here the tape is hostage to macro data and headlines. Positioning is skewed to the upside, which leaves little cushion if next week's prints or AI guidance disappoint.
- One inflation warning ignored. April PCE at 3.8% was the hottest since 2023 and the market simply looked through it. That works while growth and earnings dominate the narrative, but it leaves equities exposed if a labour or pricing surprise forces rates back into focus.

Key single-stock and group movers

WINNERS	WHY	LOSERS	WHY
Snowflake ~+36%	Largest single-day gain on record: Q1 beat plus a $6bn multi-year AWS partnership	AST SpaceMobile -14.5%	Satellite maker tumbled; a rare casualty in an otherwise broadly green week
Dell ~+33%	Best day on record: revenue +88% y/y, $24.4bn AI orders; 'poster child for AI broadening'	Blue Origin (n/a)	Rocket explosion grabbed headlines, though limited direct equity read-through
Micron ~+19% (Tue)	UBS projected 100%+ upside on HBM; crossed $1tn cap, finished May ~+88%	Chip pullback (intra-wk)	Brief mid-week semis wobble on Iran rumours, quickly bought back
ServiceNow +14%	Software tailwind as the AI rally broadened beyond silicon	—	
Datadog +10%, Palantir +8%	Software and analytics names joined the melt-up; Oracle, Microsoft +6%	—	

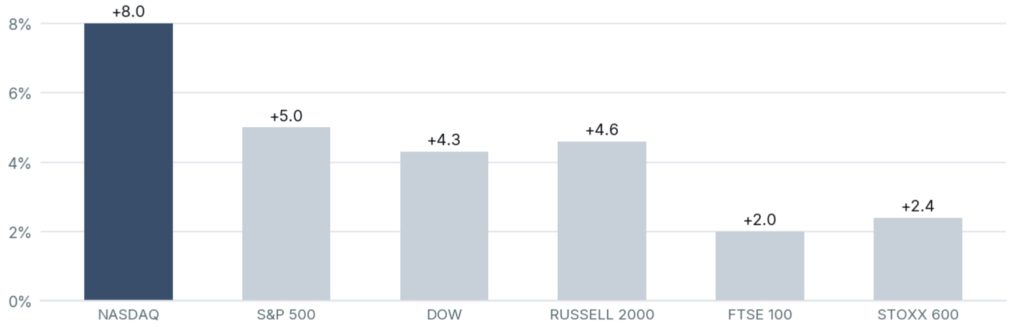
03 — REGIONAL ROUNDUP

Records at home, a hike in Europe.

United States

- The leader. All three major indices closed the week at records, the S&P at 7,580, the Dow above 51,000 for the first time, capping the strongest month for tech in 2026 (Nasdaq +8%, S&P +5%). The advance broadened decisively from chips into software and infrastructure on the back of blockbuster Dell and Snowflake results.
- April PCE printed at 3.8% y/y, the highest since 2023, but markets shrugged: with Fed cuts essentially priced out through 2027 already, hot inflation barely moved expectations. The eighth-then-ninth consecutive weekly gain marked the longest winning streak since late 2023, even as strategists flagged stretched valuations and an overbought RSI.

MAY 2026 INDEX PERFORMANCE — TECH'S BEST MONTH OF THE YEAR



Source: CNBC, Alain Guillot weekly recap, T. Rowe Price; approximate May 2026 index returns.

United Kingdom

- The FTSE 100 rose ~1.0% on the week, participating in the broad global risk rally. With cuts largely priced out and the domestic data calendar quiet, the index tracked global sentiment, helped by firm energy and financials.
- Gilts were steady, the 10y near 4.72%, as easing Treasury yields and the absence of a near-term domestic catalyst kept UK rates rangebound. The mood was constructive but unremarkable, the calm before a far busier first week of June.

Europe

- The week's main event was the ECB. It raised three of its key rates on Thursday, its first hike since September 2023, as widely expected, citing upside risks to inflation from the energy shock against downside risks to growth. New forecasts put eurozone headline inflation at 3.0% in 2026, 2.3% in 2027 and 2.0% in 2028.
- Equities took it in stride: Italy's FTSE MIB led with +3.2%, France's CAC +1.6%, while Germany's DAX slipped 0.5%. Sentiment improved into Friday on rising hopes of a U.S.-Iran peace deal. The hawkish ECB and a hot US PCE underlined the same theme globally: inflation risk is back on the table even as equities party.

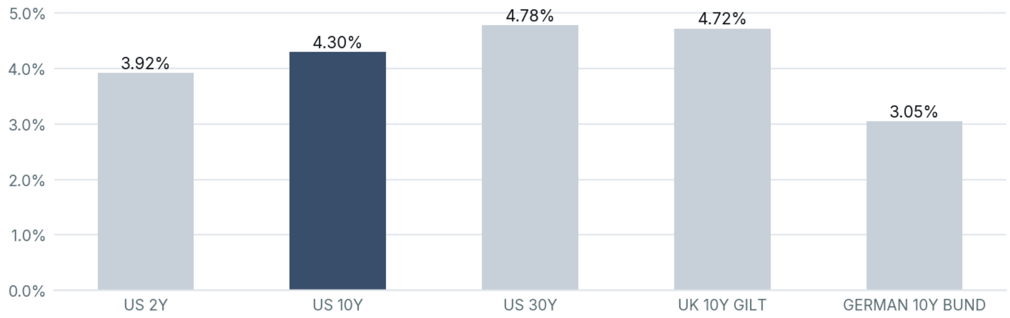
Asia

- Broadly firm, riding the global tech tailwind. Memory and AI-hardware names were buoyant given Micron's spectacular run and the read-across to the Korean and Taiwanese supply chain. Sentiment was supported by the easing in Treasury yields and constructive U.S.-Iran headlines.
- Geopolitics remained the swing factor: the Middle East war that began in late February kept a risk premium in oil and a bid under gold, even as equity markets largely looked past it. The region entered June leveraged to both the AI cycle and the path of the conflict.

04 — FIXED INCOME

Yields ease, the ECB hikes.

BENCHMARK GOVERNMENT BOND YIELDS — WEEK-END, 29 MAY



Source: Trading Economics, ECB, Clearbrook commentary, 29 May 2026. US 10y highlighted as the global benchmark.

- Treasuries: moderating yields underpinned the rally. The 10y eased over the week towards ~4.30% as U.S.-Iran de-escalation hopes and resilient earnings calmed markets. Lower yields restored appetite for rate-sensitive assets, REITs gained ~3% on the week, a reminder of how quickly the yield-sensitive complex moves when the rate narrative shifts.
- The Fed: cuts off the table. Funds rate held at 3.50-3.75%, with rate-cut expectations essentially eliminated through 2027. The hot April PCE (3.8%) reinforced the cautious tone but, with cuts already priced out, did little damage. Attention now turns to the labour data and the 16-17 June FOMC.
- Europe: the first hike since 2023. The ECB raised three key rates on Thursday, citing inflation upside from the energy shock. Bunds sat around 3.05% with the euro curve repricing the policy path higher. The ECB's hawkish turn was the clearest signal yet that the global rate narrative has flipped from cutting to holding-or-hiking.
- Gilts. The UK 10y was steady near 4.72%, tracking the easing in global yields with no domestic catalyst. A quiet week for gilts, in contrast to the busy data slate that lay just ahead.
- The week's rates story in one line. Yields drifted lower and equities partied, but a hot PCE at home and a live ECB hike abroad both pointed the same way: inflation risk is rebuilding beneath a complacent market.

05 — THE WEEK AHEAD

The rally's first real test.

After nine weeks up and with the RSI overbought, the coming week is unusually dense with binary catalysts. We think the risk-reward has turned asymmetric: a great deal of good news is priced, and two events, Broadcom on Wednesday and payrolls on Friday, can each puncture the AI-and-rates narrative on their own. We would trim into strength.

The week ahead (w/c 1 June)

WHEN	WHAT	WHY IT MATTERS
Mon 1 June	ISM Manufacturing PMI; construction spending	Watch the prices-paid component: a hot reading would echo the PCE warning and pressure the rate-cut-free narrative further
Wed 3 June	Broadcom (AVGO) Q2 earnings; ISM Services; ADP	The single biggest risk. Consensus models ~47% revenue growth to ~$22bn; with positioning skewed long and the stock priced for a beat-and-raise, anything in line could trigger an outsized chip pullback
Wed 3 June	CrowdStrike Q1 earnings	Tests whether the software leg of the rally can keep up with the lofty multiples it has just earned
Fri 5 June	US May jobs report (NFP)	The marquee event. Consensus ~93-105k, unemployment ~4.3%. A hot surprise would push yields up and revive hike fears, the most likely trigger for a reversal given how overbought the tape is
Thu 4 June	Eurozone Q1 GDP; jobless claims	Growth backdrop into the ECB's next steps after this week's hike

Our call: where the risks lie

- The set-up is fragile. A forward P/E above 21 and an RSI near 73 leave no margin for disappointment. The rally has been built on AI earnings beats and falling yields; both could reverse this week. We would not chase new highs here.
- Broadcom is the asymmetric risk. The whole chip complex is priced for a blowout. An in-line print with no guidance raise, our base case, would likely be read as a disappointment and could drag the SOX and the broad Nasdaq down sharply given stretched positioning.
- Payrolls could be the trigger. With cuts already priced out, the asymmetric risk is a strong number that forces talk of a hike. A print well above the ~95k consensus would lift the 10y and hit long-duration tech hardest, precisely the leadership that has driven the melt-up.

The week after (w/c 8 June)

WHEN	WHAT	WHY IT MATTERS
Wed 10 June	US May CPI	If payrolls and PCE have already lifted inflation fears, CPI becomes the confirmation print
Thu 11 June	ECB rate decision	Follow-through after this week's hike; markets near 90% priced for a further increase
16-17 June	FOMC meeting + projections	The fortnight's destination: a fresh dot plot into a market that has priced out cuts entirely

06 — THE BOTTOM LINE

One picture.

Nine weeks of gains and a record-breaking May leave equities priced for perfection just as the calendar turns hostile. The rally is real and broadening, but the margin for error has thinned to nothing. We read the risk-reward into the first week of June as asymmetric to the downside.

Watch, in order: Broadcom on Wednesday for whether the AI trade can clear a very high bar; Friday's payrolls for whether a strong labour market forces rates back into focus; and the prices-paid components of the ISM surveys. A hot jobs print into an overbought, fully-priced market is the cleanest path to a reversal. We would trim into strength and keep dry powder for the volatility the calendar is likely to deliver.

SIGN-OFF

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SOURCES AND DISCLOSURES

Sources: CNBC, TheStreet, Alain Guillot weekly recap, Clearbrook Global, T. Rowe Price, CMC Markets, Yahoo Finance, Schwab Network, ECB, Trading Economics commentary as reported. Levels are approximate week-end or most recent published figures for the week ending Friday 29 May 2026 (UK time) and move quickly in current conditions. The week-ahead section reflects the calendar and our views as understood at the time of writing (Sunday 31 May 2026); calendar items should be verified against the official schedule. This document is market commentary compiled from public reporting. It is not investment research within the meaning of applicable regulation, contains no recommendation, and is not investment advice.